

	FINAL TERM EXAMINATION SPRING 2007 MGT211 - INTRODUCTION TO BUSINESS (Session - 4)	Marks: 60 Time: 120min									
StudentID/LoginID: Student Name: Center Name/Code: Exam Date: Monday, July 16, 2007											
▪ All questions are compulsory. ▪ This exam consists of 15 Multiple Choice Questions (MCQs) carrying 1 mark each; 5 True/ False statements carrying 1 mark each; 5 Fill in the Blanks carrying 1 mark each; 3 Short Questions carrying 5 marks each; and 2 descriptive questions – each carrying 10 marks. ▪ For each MCQ, read the available choices carefully and select the most appropriate choice which you consider is the correct answer, by clicking on the appropriate check box. ▪ To answer fill in the blank questions, write the word which you think is the most suitable by comprehending the whole phrase. ▪ For a true/ false statement, recognize the concept and answer accordingly. ▪ Remember not to spend too much time on any one objective type question since all objective type questions carry equal marks; it is important to manage your time according to the marks allocated to each question. ▪ Save your answer before proceeding to the next question. ▪ Do not click the "Finish" button while solving your paper. Once you clicked the "Finish" button, you will not be able to access your paper again. Click it at the end of your paper. That means you have submitted your complete paper. ▪ A clock is given in the exam software. Software will automatically close at the end of given time. ▪ Use of mobile phone is strictly prohibited. Switch off your mobile phone during the exam. ▪ Failure to comply with the Supervisor's directions will result in your test being cancelled. Please comply with supervisor's directions to avoid any unpleasant event.											
For Teacher's use only											
Question	1	2	3	4	5	6	7	8	9	10	Total

Marks											
Question Marks	11	12	13	14	15	16	17	18	19	20	
Question Marks	21	22	23	24	25	26	27	28	29	30	

Question No: 1 (Marks: 1) - Please choose one

When the amount of government spending exceeds the amount of revenues, the result is called:

- ▶ Trade deficit
- ▶ Budget deficit
- ▶ Balance of payment
- ▶ Opportunity cost

Question No: 2 (Marks: 1) - Please choose one

What characteristic motivate a person to start his own business?

- ▶ Earning large incomes
- ▶ Being his own boss
- ▶ Challenge
- ▶ All of the given options

Question No: 3 (Marks: 1) - Please choose one

Firms can ensure responsibility to customers by:

- ▶ Safe manufacturing techniques
- ▶ Proper disposal of waste
- ▶ Seeking feedback about product
- ▶ Full financial disclosure

Question No: 4 (Marks: 1) - Please choose one

The position of “chief financial officer” is considered to be a:

- ▶ Supervisory position
- ▶ Top management position

- ▶ First-line management position
- ▶ Bottom-line position

Question No: 5 (Marks: 1) - Please choose one

The reinforcement theory that motivates employees by encouraging them to behave in a manner that avoids unfavorable consequences is _____ reinforcement.

- ▶ Positive
- ▶ Neutral
- ▶ Equity
- ▶ Negative

Question No: 6 (Marks: 1) - Please choose one

A Rolex watch and Mercedes car are considered:

- ▶ Convenience products
- ▶ Shopping goods
- ▶ Specialty products
- ▶ Industrial products

Question No: 7 (Marks: 1) - Please choose one

One way to accelerate the distribution process is to make sure that it is integrated with _____ process.

- ▶ Marketing
- ▶ Financing
- ▶ Advertising
- ▶ Production

Question No: 8 (Marks: 1) - Please choose one

Even a company's product is properly produced, priced and distributed, it still needs to be:

- ▶ Manufactured
- ▶ Graded

- ▶ Promoted
- ▶ Market tested

Question No: 9 (Marks: 1) - Please choose one

_____ is a management approach for an organization, centered on quality, based on the participation of all its members and aiming at long-term success through customer satisfaction and benefits to all members of the organization and to society.

- ▶ Total quality management
- ▶ Project management
- ▶ Personnel management
- ▶ Strategic planning

Question No: 10 (Marks: 1) - Please choose one

Information-systems applications, based on telecommunication technologies, that use networks of appliances or devices to communicate information by electronic means are:

- ▶ Electronic information technologies
- ▶ Management information systems
- ▶ Information management
- ▶ Transaction processing systems

Question No: 11 (Marks: 1) - Please choose one

Effective marketing are intended to affect the firm's:

- ▶ Financial leverage
- ▶ Social responsibility
- ▶ Strategic plan
- ▶ Cash inflows

Question No: 12 (Marks: 1) - Please choose one

Arrangement whereby selected professional providers offer services at reduced rates and permit thorough review of their service recommendations is:

- ▶ Health maintenance organization
- ▶ Preferred provider organization

- ▶ Point-of-service
- ▶ Health Insurance

Question No: 13 (Marks: 1) - Please choose one

Process of conserving the firm's earning power and assets by reducing the threat of losses due to uncontrollable events is:

- ▶ Risk Avoidance
- ▶ Risk Management
- ▶ Risk Control
- ▶ Risk Transfer

Question No: 14 (Marks: 1) - Please choose one

_____ requires that expenses incurred in producing revenues be deducted from the revenue they generated during the same accounting period in order to accurately present the profitability of a business.

- ▶ Revenue Recognition
- ▶ Full Disclosure
- ▶ Matching principle
- ▶ Solvency Ratios

Question No: 15 (Marks: 1) - Please choose one

According to _____ principle, organizations should be able to retain or dismiss employees at their discretion.

- ▶ Employment-at-Will
- ▶ Hostile work environment
- ▶ Workforce Diversity
- ▶ Knowledge Worker

Question No: 16 (Marks: 1) - Please choose one

Capital is the lifeblood of every business and is the most essential and important element of business.

- ▶ True

► False

Question No: 17 (Marks: 1) - Please choose one

A job specification states the credentials necessary to qualify for a job.

► True

► False

Question No: 18 (Marks: 1) - Please choose one

Properly planned pricing that is often much more than guesswork can sink even a firm with a good product.

► True

► False

Question No: 19 (Marks: 1) - Please choose one

Total quality management broadens management concern beyond the immediate product.

► True

► False

Question No: 20 (Marks: 1) - Please choose one

ISO 9000 is a certification program attesting to the fact that a factory, laboratory or an office has improved its environmental performance.

► True

► False

Question No: 21 (Marks: 1)

A _____ is an organization operated with the objective of making a profit from the sale of goods or services.

Question No: 22 (Marks: 1)

The liability of each member in cooperative society is _____ to the share capital, which he invested.

Question No: 23 (Marks: 1)

High productivity gives a company a _____ because its costs are lower than those

of other companies.

Question No: 24 (Marks: 1)

_____ is a movement made with a part of the body in order to express meaning or emotion or to communicate information.

Question No: 25 (Marks: 1)

A solvency ratio that determines a firm's credit worthiness by measuring its ability to pay current liabilities is called _____.

Question No: 26 (Marks: 5)

Discuss any five "rights of partners" according to Partnership Act, 1932.

Question No: 27 (Marks: 5)

Differentiate between a product line and a product mix.

Question No: 28 (Marks: 5)

Why is non-verbal communication important along with verbal communication?

Question No: 29 (Marks: 10)

"Elderly Instruments" is a company that sells musical instruments, cassettes, and CDs. Elderly has previously used mail-order catalogs to sell its products but making changes in the catalogs is expensive and time consuming. Now the company has listed its products on its website so that customers can order products online. Customers can e-mail orders, which are filled immediately. The website can be adjusted daily to change product offerings. The website is set up so that it provides information quickly because customers who use online services do not tolerate slow websites. The web servers provide reports to Elderly about which products are receiving the most attention (which products receive the most hits). Thus, Elderly is accumulating information about customer profiles and what customers like.

Questions:

(3, 4, 3)

- 1) Explain how technology has improved Elderly's ability to communicate its product offerings.
- 2) Explain how technology has increased the number of potential customers who may purchase products from Elderly.
- 3) Explain how technology has increased Elderly's ability to learn what its customers want.

Question No: 30 (Marks: 10)

Discuss accounting and accounting information system. Describe the usage of accounting information by various stakeholders of a business organization.

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